

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 NEA-10 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 ACDA-19 IO-14 AID-20 COME-00

EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 AGR-20 PC-15 IGA-02 DRC-01 /264 W

----- 103837

R 281500Z NOV 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 5675

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMCONSUL BUKAVU BY POUCH

AMCONSUL KISANGANI BY POUCH

AMCONSUL LUBUMBASHI BY POUCH

C O N F I D E N T I A L KINSHASA 10188

E.O. 11652: NA

TAGS: PFOR, CG, US

SUBJ: MOBUTU TO MAKE MAJOR POLICY STATEMENT

1. FOR PAST SEVERAL WEEKS SINCE MOBUTU LET IT BE KNOWN THAT HE WOULD MAKE MAJOR POLICY STATEMENT AT OPENING OF NATIONAL LEGISLATIVE COUNCIL DEC 5 RATHER THAN ON NOV. 24

ANNIVERSARY OF HIS REGIME, NORMALLY ACTIVE KINSHAUA RUMOR MILL HAS BEEN WORKING OVERTIME. CONSENSUS HERE IS THAT MOBUTO WILL ANNOUNCE NEW MEASURES TO STEM OUTFLOW OF FOREIGN EXCHANGE AND TO ACCELERATE ZAIRIANIZATION. THERE ARE ALSO REPORTS NEW DECREES FOSTERING "AUTHENTICITY" WILL BE ANNOUNCED. IN LAST FEW DAYS THERE ARE INDICATIONS SPEECH WILL OCCUR BEFORE DEC 5, PERHAPS NOV 30.

2. ON ECONOMIC SIDE, MAJORITY OF INFORMED OBSERVERS SEE
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FOLLOWING AS MOST LIKELY STEPS:

(A) NEW RESTRICTIONS ON REPATRIATION OF EXPATRIATE SALARIES AND AFTER-TAX PROFITS. CURRENT OFFICIAL LIMITATION ON SALARIES IS 50 PERCENT BUT EXCEPTION ARE WIDE-SPREAD.

UK EMBASSY COMMENTED FURTHER RESTRICTION WOULD NOT BE SURPRISING SINCE CURRENT ZAIRE RATE IS VERY LIBERAL WHEN COMPARED WITH THOSE OF SOME OTHER COUNTRIES. BIG QUESTION FOR MOST US FIRMS WOULD BE CONTINUING APPLICABILITY OF PROVISIONS IN CONVENTIONS SIGNED AT TIME BUSINESSES ESTABLISHED IN ZAIRE. MAIN TARGET LIKELY BE PRE-INVESTMENT CODE AND ESPECIALLY PRE-INDEPENDENCE INVESTMENTS AS DISTINGUISHED FROM NEW MONEY BROUGHT IN.

(B) ADDITIONAL MEASURES AGAINST EXPATRIATE SMALL BUSINESSES. THESE ARE RUMORED TO INCLUDE EXPROPRIATION (WITH COMPENSATION) OF SMALL PLANTATION NOW LARGELY IN GREEK HANDS. REPORTEDLY NO THOUGHT IS BEING GIVEN TO EXPROPRIATING LARGE PLANTERS SUCH AS LEVER BROS. ANOTHER POSSIBILITY IS MORE STRINGENT APPLICATION OF EXISTING LEGISLATION REQUIRING SMALL BUSINESSES, IN PRINCIPLE, TO BE IN ZAIRIAN HANDS.

(C) MEASURES AGAINST TRADE WITH SOUTHERN AFRICA WITH REPORTS VARYING FROM PROHIBITION OF GOODS MOVEMENT, PASSENGER MOVEMENT OR AIRLINES SERVICE.

3. POLITICALLY, THERE ARE RUMORS THAT PORTUGUESE WILL NOT BE PERMITTED TO RESIDE IN BAS ZAIRE (WHICH IS ADJACENT TO ANGOLA).

4. ON AUTHENTICITY, REPORTS RUN GAMUZ FROM MOBUTU RENOUNCING CHRISTIANITY IN FEAR OR DEISM TO LINGALA REPLACING FRENCH AS THE OFFICIAL LANGUAGE.

4. ALTHOUGH BULK OF REPORTS HAVE ECONOMIC MEASURES BEING DIRECTED AGAINST BELGIANS, GREEKS, PORTUGUESE AND PAKISTANIS RATHER THAN AMERICANS, AMBASSADOR HELD LONG MEETING NOV 27 WITH DIRECTOR OF PRESIDENT'S OFFICE BISENGIMANJY. AMBASSADOR REFERRED TO RUMORS AND SAID HE STRONGLY HOPED MOBUTU WOULD NOT DO ANYTHING TO SPOIL INVESTMENT CLIMATE FOR BUSSINESS ESPECIALLY AFTER FAVORABLE IMPRESSION MOBUTU MADE ON TOP US BUSINESS FIGURES DURING HIS OCTOBER VISIT TO THE US AND HIS CONFIDENTIAL

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ELOQUENT PLEA FOR MORE US INVESTMENT. BISENGIMANA, WHO IS DRAFTING SPEECH, SAID HE WANTED TO MEET WITH AMBASSADOR SOON AFTER IT IS DELIVERED TO EXPLAIN WHAT MIGHT APPEAR TO BE IMPLICATIONS FOR US. HE EXPRESSED GOZ HIGH REGARD FOR US INVESTMENTS BECAUSE THEY WERE NEW MONEY BROUGHT IN, MODERN MACHINERY AND TECHNOLOGY AND HAD ADMIRABLE AFRICANIZATION PROGRAMS.

5. AMBASSADOR REMINDED BISENGIMANA THAT MOBUTU HAD LONG WISHED TO MAKE FAVORABLE PUBLIC REMARKS ON ROLE OF PEACE CORPS. BISENGIMANA CONFIRMED THIS WAS THE CASE AND SAID HE HOPED POINT COULD BE IN THIS OR SOME OTHER SPEECH SOON, ADDING THAT FACT THEY LIVE LIKE LOCAL COUNTERPARTS IS PARTICULARLY NOTABLE.

6 . COMMENT: IMPLICATION OF BISENGIMANA'S COMMENTS WAS THAT THERE WOULD BE SOME UNPLEASANT NEWS FOR FOREIGN INVESTORS AND EXPERTS IN ZAIRE ALTHOUGH BRUNT PROBABLY WILL FALL ON OTHERS THAN AMERICANS. END SUMMARY.

7. AMBASSADOR HAS ALSO BEEN LABORING SINCE MOBUTU'S RETURN FROM THE US TO CLEAR UP SOME MISCONCEPTIONS IN HIS AND SOME OF HIS ADVISORS MINDS CONCERNING US POLICY TOWARD PORTUGUESE COLONIES AND OTHER SOUTHERN AFRICAN PROBLEMS AND NATURE, RELATIVE AMOUNTS AND POLICIES OF US ASSISTANCE AND INVESTMENT SINCE WORLD WAR II. MUCH OF GOZ MISINFORMATION WAS APPARENTLY GLEANED FROM RAYMOND ARON'S "LA REPUBLIQUE IMPERIALE", PARTICULARLY THAT US HAS GIVEN MORE ECONOMIC ASSISTANCE SINCE WORLD WAR II TO DEVELOPED THAN TO UNDERDEVELOPED COUNTRIES, THAT US INVESTMENTS IN SOUTH AFRICA GREATLY EXCEED THOSE IN BLACK AFRICA AND THAT AID AND INVESTMENTS IN FACT RESULT IN NET CAPITAL FLOW FROM UNDERDEVELOPED TO DEVELOPED COUNTRIES. THESE MISCONCEPTIONS SURFACED DURING MOBUTU'S RECENT VISIT TO THE US, DURING UN SPEECH AND HIS CONVERSATIONS WITH EXECUTIVE BRANCH, SENATE AND NEWSWEEK EDITORIAL STAFF. AS MOBUTU HAS BEEN HEAVILY OCCUPIED SINCE HIS RETURN BY TRAVELS AND VISITORS, AMBASSADOR HAS GIVEN DATA TO FONMIN NGUZA, BISENGIMANA, MOKOLO AND OTHERS, SHOWING AMOUNTS US PAYING FOR USE OF AZORES, RELATIVE ECONOMIC ASSISTANCE AND INVESTMENTS AND
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SO FORTH, REQUESTING THAT THEY BE CONVEYED TO MOBUTU. AT SAME TIME, US DISAGREEMENT WITH GOP COLONIAL POLICIES, APARTHEID AND UDI WAS NOTED ALONG WITH LIMITATIONS IN OUR ABILITY TO INFLUENCE POLICIES OF OTHER GOVERNMENTS IN QUESTION. MODERATING INFLUENCE OF US EMPLOYERS IN SOUTH AFRICA WAS ALSO STRESSED.
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